

Getting Ahead of the Game in a new Multi-Polar World across Today's Spectrum of Threats, Converging Ecosystems of Criminality, and Hybrid (Irregular) Warfare

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PREPARED KEYNOTE ADDRESS AND STATEMENT

Good morning.

Mr. Jim Saenz, Deputy Assistant Secretary of Defense, Counternarcotics and Stabilization Policy, U.S. Department of Defense (DoD); Ms. Elizabeth Phu, Principal Deputy Assistant Secretary for Defense, Special Operations/Low-Intensity Combat (SO/LIC), DoD; Mr. Joe McMenamin, Principal Director, Counternarcotics and Stability Policy, DoD; Mr. Ryan “Whit” Whittington (Colonel Ret.), Director, National Narcotics and Transnational Crime Support Center, DoD; distinguished colleagues from across the U.S. Government including key national security, defense, intelligence, and diplomatic corridors, it is a great honor to be with you this morning here at the Pentagon as part of your FY26-30 POM Review (Week) to counter drug trafficking and other illicit threat networks, and provide what I hope will be some helpful insights.

Let me also take a moment to thank colleagues with DOD’s Offices for Special Operations / Low-Intensity Conflict (SO/LIC) and Counternarcotics and Stabilization Policy for their continued leadership in advancing critical Counternarcotics and CTOC missions at DoD.

During my close to 20 years at the State Department’s Bureau of International Narcotics and Law Enforcement Affairs (INL), I very much enjoyed working together to leverage our respective authorities, programs, and resources to do more joint work in support of our law enforcement and defense security communities on an array of cross-border drug trafficking, crime-terror illicit networks and terrorist financing threats.

Threat Convergence in a New Multi-Polar World

Today I will highlight the:

- cascading effects of today’s spectrum of threats in an ecosystem of criminality and corruption overlaid with hybrid (irregular) warfare in a new multi-polar world;

- Further, through a prism of convergence, I will offer some ideas for leveraging more dynamic threat intelligence and innovation for risk mitigation, disruptions and investigations of illicit threat networks, and dismantling their threat finance operations; and
- ways to support U.S., international partners, and public-private partnerships strengthen their combined efforts to combat cross-border serious crimes and illicit threat networks.

Let me emphasize that despite many successes, **the global ecosystem of criminality and corruption has expanded greatly today compared to even a decade ago**, fueled by criminal opportunists and profit driven-illicit entrepreneurial networks working feverishly to exploit a multitude of new, lucrative criminal economies, including synthetic drugs, contraband pharmaceuticals, and the illegal mining of gold and strategic minerals.

Illicit actors have evolved and diversified across new security landscapes, including by leveraging greater vulnerabilities across the digital world, online marketplaces, dark spaces of the Internet and alliances with deeply criminalized states.

Moreover, active measures and geo-strategic corruption by hostile malign states such as China, Iran, North Korea, Russia, and others, have further financed chaos and insecurity to not only weaken Western democracies, but to fulfill their shared ambition of creating a multipolar world order untethered to the norms of democratic governance and rule of law.

This confluence of organized crime, criminalized states and hybrid warfare has expanded illicit economies globally by orders of magnitude, in ways democratic governments are struggling to understand, map and confront.

Authoritarian regimes, driven less by ideology and more by the desire to stay in power indefinitely, encourage and manipulate politically backed criminal and militia proxies to control prime illicit spaces and conduct criminal activities that corrode governance, political, and market institutions in order to achieve their geopolitical aims, power, and wealth.

These regimes and criminal proxies wreak untold environmental havoc across the world, especially in Latin America and Sub-Saharan Africa, creating damage that will take generations to repair.

Unfortunately, across almost all of today's illicit industries, **we are losing the war against organized crime and illicit threat networks due to outdated intelligence analysis, the lack of understanding of the scale of these challenges; speed, connivance, and use of sophisticated technologies by criminals**. The problem is exacerbated because governments are not making these threats a top national security priority, nor are they making the requisite adaptations and investments necessary to effectively counter such transnational threats.

As a result of the magnitude of the mayhem wrought by the scale of expanding illicit economic vectors, burgeoning insecurity, and culture of impunity in criminalized hot spots, **the international law enforcement and security communities are under even more pressure, often out-resourced, outmanned, and sometimes, out-gunned.** At this point in time, security forces have become largely reactionary instead of proactively working to mitigate the risks and threats posed by organized crime and illicit threat networks.

Without a new baseline understanding of the new global transnational criminal structures, this will not change to meet the challenges.

Of course, there are exceptions for certain threats posing an existential national emergency and require a full spectrum “move heaven and earth” approaches to degrade. Examples would be the current fight against fentanyl in the United States, or shortly after 9-11, against terrorist financing and terrorism-related crimes.

Here let me thank not only the Drug Enforcement Administration (DEA), and other law enforcement agencies, for their hard work 24-7 to save American lives by disrupting the illegal fentanyl trade, our military on combating terrorist threat networks overseas, and inter-agency colleagues for their courage and valiant efforts to date in addressing these critical issues.

Despite the complexities of the new transnational criminal trends, today’s business model remains relatively simple related to Greed Crimes. **If dirty money can be made, the more, the better.** The following 3 truisms hold more than ever across ecosystems of criminality:

1. “The Love of money is a root of [many] evils.” (1 Timothy 6:10)
2. “Organized crime is free enterprise at its freest.” (Hank Messick)
3. “Wherever there is power, greed, and money, there is corruption.” (Ken Poirot)

Moving forward, preventing other crimes and threats here and abroad, before they metastasize into more serious harms, must remain a first-tier national security priority.

Unless we up our game and get ahead with the required political will, resources, and energies needed to push these security boulders up the hill, the battle against many of today’s cross-border crimes will remain a Sisyphean task.

China’s Financing a Global Ecosystem of Criminality and Corruption

In the case of the fentanyl crisis, we must push China to take more forceful actions to crack down on the production of illicit fentanyl precursors, and end state subsidies as well.

More broadly, China needs to take greater initiative to find pragmatic ways to not only prosecute the fight against crime and corruption in China, but also the specified unlawful activities (SUAs)

that it propels globally that are destabilizing and threatening our economy, our citizens, and our national security.

Let me make a few other points regarding **China's criminality and corruption that contribute to expanding many illicit economies these days**, before I pivot my remarks to other emerging criminal threats and illicit vectors that require more policy attention and a more robust and coordinated response from the law enforcement, security and intelligence communities.

As the U.S. and China try to find pathways to renew possible economic and trade bilateral cooperation, it will also be important for the United States to be frank with China on their need to take the fight against corruption more seriously inside China, as well as combatting transnational crime, foreign bribery, and malign influence as part of their external and international policy agendas.

As a former co-chair of the China-U.S. Anti-Corruption Working Group (ACWG), I am not surprised to read about the magnitude of high-level corruption within the Chinese Communist Party (CCP).

Before we develop targeted initiatives and actions to address any national security threat, it is important for the US Government to have a clearer, more accurate picture of the threat environment and the key drivers.

Understanding the threat environment is a critical first step to better develop better national security responses.

This is why the on-going intelligence assessment and estimate of the scale of high-level CCP corruption and Chinese criminality is instrumental in providing greater clarity in designing critical policy levers so that the U.S. can target China's center of gravity (corruption) and hold Beijing more accountable across an array of crimes that are truly harming U.S. national security. I would also encourage the Intelligence Community (IC) to undertake a new national intelligence estimate (NIE) on the breath and scale of today's transnational criminal threats to the national economy and citizen security across key global illicit markets.

Through numerous ICAIE reports and Congressional testimonies that we have provided in recent years, we have briefed the U.S. Congress on how China's involvement in expanding illicit economies around the globe has had a triple whammy effect. It:

- 1) increases tremendous illicit wealth for its ruling CCP elite;
- 2) finances China's global ambitions to be a superpower by 2049 in a multi-polar world as President Xi Jinping has openly stated; and

3) hurts U.S. national security, American competitiveness, and innovation.

In fact, ICAIE has in recent years reported on **how CCP Inc. has leveraged corruption, illicit markets, and predatory trade and lending practices to become the world's largest player in almost every major sector of transnational crime** including counterfeits, trafficking in weapons, humans, wildlife, illegally-harvested timber, fish, and natural resources, theft of IP and trade secrets, illicit tobacco, organ harvesting, and other crimes.

Several trillion U.S. dollars in illicit proceeds every year are generated from predicate offenses for money laundering that touch China's jurisdiction and markets, and are often used to finance China's authoritarian regime.

China has also helped Russia, Iran, and others evade international sanctions, including on their oil exports.

According to this ICAIE report, **China may very well be the biggest money laundering hub in the world and the CCP Inc. one of most profitable transnational illicit trade syndicates.**

On so many fronts, China poses a serious geopolitical and CTOC threat, given its proclivity to make money on crime and the laundering of dirty monies of drug cartels, kleptocrats, terrorists, sanctioned rogue states and pariahs, and also through asymmetrical maneuvers to steal Americans' personal identifiable information (PII), trade secrets, and intellectual property, as well as conducting foreign malign influence campaigns against the United States.

As FBI Director Christopher Wray has underscored in recent years, China remains the "biggest threat" to our national security and homeland. Not only because of its active involvement in the illegal fentanyl and methamphetamine trades but across other transnational crimes, cyber intrusions, hybrid warfare, and of course, political interference operations as Secretary of State Antony Blinken underscored just last week.

These Chinese threats will require even more attention as numerous illicit industries driven by China (and Chinese triads) continue to expand including in the Western Hemisphere, especially during their current economic downturn.

This is why the "Americas Act" before Congress can begin a process to win back market share and lost hemispheric influence through investment and trade incentives in Latin America, then replicating it to other regions.

Undoubtedly, China must become a more responsible stakeholder in the international community across numerous market security areas, and the **U.S. must be tough and hold its feet to the fire.**

Let me now turn to some evolving trends related to today's transnational criminal organizations that similarly thrive from chaos, coercive violence, ecosystems of criminality, and corruption to build and sustain their illicit empires, and sometimes act as useful proxies to China, Russia, Iran, Venezuela, and other authoritarian regimes.

Latin America Criminal and Security Threats

In the Americas, multi-billion-dollar illicit economies across Latin America, long centered on the cocaine and narcotics trade, are expanding as criminals and other illicit networks diversify to new commodities, markets and methodologies.

The region's transnational criminal structures are undergoing a volatile, profound reordering and restructuring, with long-term strategic repercussions in the years to come for the United States and its key allies in the hemisphere.

New actors, new markets, and new products are driving fragmentation among traditional groups, and consolidation of criminalized economies from the Bolivarian Joint Criminal Enterprise (BJCE) led by the Maduro regime in Venezuela to numerous other strategic alliances among TCOs, kleptocrats, business elites, and ideologically agnostic authoritarian states.

It is this crime-threat convergence and competition among different actors that is driving the growing instability and corruption.

It is now an often-violent race to control of strategic infrastructure, trafficking and smuggling routes, critical spaces where the state is absent or co-opted as a partner. The criminal groups consolidate their control through fear and brutality and use their territorial control and to accumulate greater power and wealth.

We see this being played out, for example, in the Venezuela, Nicaragua, Bolivia, Brazil, Ecuador, and Haiti. The same dynamic is playing out throughout the Sahel and sub-Saharan Africa, Europe, Southeast Asia, and other areas of high levels of organized crime, violence, corruption and kleptocracy, armed conflicts, and other cross-border illicit threats.

In Mexico, the Cartel Jalisco Nueva Generación (CJNG) has displaced the Sinaloa cartel as the dominant criminal network. **The CJNG and other cartels and gangs have further co-opted the Mexican government at the federal, state, and local levels, and have expanded their illicit pipelines from primarily drug and illegal opioid trafficking, to a diversified portfolio.** Their activities now include other contraband and illicit goods such as fake pharmaceuticals, weapons, human trafficking and smuggling, wildlife, as well as investments in numerous sectors including agriculture, mining (and "green" minerals), transportation, hospitality and gaming, etc.

On fake pharmaceuticals, CJNG's expanded and diversified economic profile across the Americas now includes a growing dominance in the illicit trafficking of fake medicines and counterfeit pharmaceuticals, a multi-billion illicit industry which endangers the public health of safety of citizens across the Western Hemisphere.

In Mexico alone, some reports have found that 60 percent of commercially sold pharmaceuticals are falsified, counterfeited, expired, or stolen. Some pills are even laced with deadly fentanyl and highly addictive meth.

The medicines are sold online, in the informal economy, and in professional brick-and-mortar pharmacies, where CJNG liaisons coerce pharmacists and storekeepers to sell and store them alongside real medicine.

Confiscated fake medicines have included treatments for HIV, cancer, osteoporosis, diabetes, blood pressure, cholesterol, and obesity.

Outside of Mexico, the CJNG and other cartels are seeking dominance in Central America and stretching their illicit empires into South America with newer alliances, where they can control more ports through bribery and intimidation and thereby introduce new products into illicit markets.

Costa Rica represents a prime expansion area for criminals, due to its large international ports, lightly monitored coastline, lack of strong law enforcement entities, and geographic proximity to the deeply criminalized Ortega regime in Nicaragua, creating a nexus among different global markets.

Costa Rica, with functional infrastructure and easy access to the dollarized international financial system, is especially attractive following the consolidation of criminal networks in neighboring countries, particularly the Ortega regime's expansion into illicit gold, drug trafficking and precursor imports.

Expansions by CJNG and other TCOs in the Americas is putting these groups in contact with Chinese triads and Eurasian criminals especially in the ports, and money laundering havens.

The reality is such that traditional criminal actors based in Colombia and Mexico are now competing with – and sometimes collaborating with – new actors such as transnational gangs in Brazil and Central America, as well extra-regional, non-traditional actors.

The convergence is facilitated by the growing, ideologically agnostic criminalized authoritarian model spreading across Latin America, where staying in power through alliances with

transnational criminal structures has rendered ideology almost meaningless, has opened new possibilities for formerly antagonistic criminal groups.

In many cases, one-time ideological opponents are no longer enemies, but potential partners who can provide or purchase specific criminal services and financial rewards.

Take for example MS-13, which primarily operates in the Northern Triangle of Central America (El Salvador, Honduras, Guatemala) with franchises across the United States, the Primeiro Comando da Capital (PCC), based in São Paulo (and active in most Brazilian states), and the Tren de Aragua in Venezuela.

The MS-13 now operates in Mexico, concentrated in Tijuana and other key border areas.

The PCC has expanded its operation to Bolivia, Paraguay, Argentina, Africa and Europe.

The Tren de Aragua has operations in Ecuador, Peru, Chile and Central America.

These groups are building alliances that could allow them to expand their operations in unprecedented ways.

In the changing pattern related to global crime, these groups – no longer localized prison-born gangs but transnational criminal enterprises – are becoming more diversified, deeply enmeshed in the global drug trade, illicit economies and armed conflicts in the hemisphere, and in other parts of the world.

These newer hybrids are rapidly amassing formal political power and seeking new alliances with each other and other state and non-state armed actors to achieve their goals of becoming major political forces embedded in the state, as the MS-13 has successfully done in El Salvador under the Bukele administration.

In Ecuador, the brazen assassination of leading presidential candidate Fernando Villavicencio by an Ecuadorian gang, Los Lobos, believed aligned with Mexico's Jalisco New Generation cartel, created chaos earlier this year. The gang leader escaped prison setting off a wave of violence across the country and coordinated riots in seven prisons.

A rival gang, the Choneros, backed by Mexico's Sinaloa cartel, called for peace in a statement apparently issued from Mexico City. But the reality is both gangs are fighting for criminal supremacy in Ecuador, aligned with other transnational organizations creating more violence.

Over the past five years, Ecuador's homicide rate has risen almost 700 percent, from 6 homicides per 100,000 people to 42, as the local gangs, their Mexican cartel rivals and extra-regional mafias vying for trafficking routes have made the nation the most violent in the hemisphere.

But the collapse of Ecuador's rule of law is another manifestation of the diversification, expansion, and joint ventures among today's leading TCOs, where rival gangs and alliances fight over strategic ports used as shipping points, especially those near the leading cocaine-producing countries of Colombia and Peru.

Illicit threat networks are finding Ecuador's weak border controls, dollarized economy that facilitates money laundering, and the increasing presence of the Chinese in those ports to be attractive.

Ecuador also has to deal with external threats posed by the Albanian and Eurasian mafias now embedded in the port city of Guayaquil, who coordinate the warehousing of cocaine from Colombia, and coordinate with other transnational fixers including Italian mafia on the subsequent distribution in Spain, the UK, Germany, and other European markets. Ecuadorian fruit and flower companies are often used as fronts for these criminal activities.

From a trans-regional perspective, the fragmenting and realigning of organized crime operations across borders has seen the rise of Eastern European, Chinese, Turkish, Italian and Balkan syndicates vying for market share in Latin America, and reciprocally, increased illicit trade by the cartels, the PCC, and other Latin criminal networks in lucrative overseas illicit markets.

Panama continues to serve as a central logistics hub for multi-continental criminal organizations and its role came into further focus in November 2022, when a multi-jurisdictional task force arrested 49 people in Dubai, Spain, France, Belgium, and the Netherlands, all with alleged ties to a transnational-networked 'Super Cartel'.

Defendants were allegedly coordinating a massive drug trafficking operation out of Panama with support from leading cartels in Ireland, Italy, Dubai, Bosnia, the Netherlands, and Morocco.

According to Panama's attorney general, Panamanian nationals had been helping the Super Cartel move drugs and maintain communications around the world.

Italian organized crime, in particular groups with ties to the 'Ndrangheta', are also expanding their presence in Argentina, Brazil, Chile, and Uruguay to open new drug trafficking routes to Europe.

Panama's Atlantic port and free trade zone (FTZ) of Colón is also a favored drug hub for the Colombian criminal group, the Urabeños, also known as the Gulf Clan (Clan del Golfo), and the Gaitanista Self-Defense Forces of Colombia (Autodefensas Gaitanistas de Colombia – AGC).

Colón is a logistical hub notorious for illicit trade, corruption, drugs, illicit tobacco products, gangs, violence, and money laundering, as are other ports and FTZs in the Americas such as the mega-port of Brazil's Santos or TBA or the port of Vancouver.

The massive levels of corruption fueled by enormous inflows of illicit funds, along with multiple, persistent armed conflicts among and between state and non-state actors, and sophisticated influence operations by Russia, China and Iran are key drivers of the regional decline in democratic governance and the wave of authoritarian populism in the hemisphere.

This significant reordering of illicit networks structure in the Western Hemisphere is not taking place in a vacuum.

In many parts of Latin America, a perfect storm is brewing. Growing economic, criminal and political stresses are eroding institutions and economic prospects, creating opportunities for Muslim extremist radicalization, and undermining a commitment to democracy and the rule of law.

This is exacerbated by major disinformation campaigns undertaken by China, Russia, and Iran, as well as predatory activities of these and other malign networks operating more brazenly across the region in the absence of a strong U.S. presence.

In Panama, for example, China is leveraging bribery of government officials to win concession rights to control the port of Colón and other critical infrastructure along the Panama Canal. Alarming, China already owns, controls or operates important sections of more than 40 major ports across Latin America, many of which Chinese triads are also quite active.

Another significant concern is China's growing network of facilities in Latin America related to its civilian space and satellite programs with defense capabilities. These ground stations have the potential to expand Beijing's global military surveillance network in the southern hemisphere and areas close to the United States. China is also literally buying islands across the Caribbean (e.g., in Antigua and Barbuda), building special economic zones, and likely planning to use these commercial outposts for military purposes.

Russian proxies are selling some of the more advanced surveillance technologies to state and non-state criminal actors across the hemisphere, greatly enhancing their ability to monitor and attack political enemies, law enforcement, journalists, human rights workers and anyone else they perceive as a threat.

At the same time, the Rabbani Network and Iranian Hezbollah Illicit Network are making billions of dollars from illicit trade and financing the information space to shape anti-democracy messages in the region.

In a confluence of geo-security interests, China, Russia, and Iran continue to strengthen intelligence and military ties to weaken democratic institutions, expanding illicit economies, and bolster autocratic governance in Latin America, if not globally.

And where there is authoritarian revanchist power and revisionist mischief, criminal and militia proxies are not far behind.

These emerging security trends in ecosystems of criminality and corruption in Latin America are also being witnessed in other regions of the world that offer new challenges to law enforcement and policy communities.

These security risks are far-reaching and threaten to accelerate the negative trends unless dealt with effectively and decisively.

Global Trends

Criminal networks are similarly infiltrating and penetrating legal businesses and commercial pathways in Europe by exploiting corrupt nodes to advance their criminalities.

In a recent EUROPOL report, over 800 threatening criminal networks were identified, with more than 25,000 members operating inside the European Union.

According to EUROPOL, 86% of those networks are able to infiltrate the legal economy to hide their activities and launder their criminal profits.

Similar to Latin America, ports and FTZs in Europe are targeted by TCOs to control the movement of both licit and illicit goods that are often hidden among the thousands of containers. Shipping companies and unions are often co-opted by criminals to enable the trafficking and smuggling of drugs, and other contraband.

An emerging trend in Europe, and carrying over to Latin America and other parts of the world, is migrant smuggling. Due to conflicts, climate change, pandemics, and humanitarian plight, migrant smuggling has become a very lucrative business for criminals, with 90 percent of migrants paying smugglers to help them to reach the EU. It is estimated that migrant smuggling generates an annual turnover of between \$5 to \$6 billion worldwide.

If we examine Africa, one can see a further deterioration of governance structures and the rule of law as criminals, kleptocrats, hostile militias, terrorist groups, corrupt military, customs, and police

officials carve out trafficking corridors. For example, this is happening along the Sahel illicit superhighway, involving drugs, weapons, humans, maritime piracy, terrorist financing, and other crimes.

In fact, sub-regional African hubs of illicit activities have the highest criminality in the world, according to research by the Global Initiative against Transnational Organized Crime (GITOC). They serve as a stronghold for criminal actors, whose influence is aggravated by prolonged conflicts and insecurity that make the region especially dangerous.

Gateway crimes and illicit activities such as weapons, drug, fuel trafficking, cattle rustling, artisanal gold mining, fake medicines, illicit cigarettes, and wildlife poaching are at the heart of providing revenue for terrorist groups; revenue which is essential to their survival and ability to finance their infrastructure and expansion.

To safeguard their interests amid stiffer competition, traffickers have hired armed groups to act as protective militias. They have also cut deals with corrupt state officials, whether to shield their business activity from official scrutiny or to buy the services of the military to protect their convoys.

Traffickers have also become legitimate businessmen and even entered national politics, allowing them to then work with others to hollow out state institutions, co-opt state security forces and, in effect, turn the state into a criminal enterprise and to bankroll militias, their partners in crime.

In states captured by militia groups such as Russia's Wagner Group, Hezbollah, or through China's Belt and Road Initiative, crime and corruption have further destabilized Africa with measurable democratic backsliding, the propping up of brutal dictators with human rights abuses, and a bonanza of pillaging, especially of gold and critical minerals.

In Southeast Asia, criminal syndicates in the Mekong Basin and ASEAN markets thrive across sprawling transnational zones of criminality and a convergence of crimes, including financial fraud, extortion, and money laundering especially with the proliferation of unregulated new casinos and online gambling controlled by such criminal organizations and non-state armed actors such as militias and paramilitary units.

Industrial scale money laundering operations originating in Southeast Asia's Mekong region have gone global. It's the infrastructure handles the proceeds of scams -- such as the recent pig butchering cases targeting American citizens -- as well as child pornography, trade in human body parts, illegal gambling, drug trafficking and people trafficking, and sexual exploitation.

The Mekong is notoriously the home of high-end restaurants where one can order bear claws as appetizers, a \$1000 pangolin soup, other expensive endangered wildlife meats, and wash it all done with an aphrodisiac wine elixir made from tiger bones or rhino horn.

Cross-border crime in the region is also linking the world's most dangerous criminals and allowing them to scale up and automate money laundering and cryptocurrency networks across the digital world. This activity is increasingly also linked to terrorist financing as well as sanctions evasion.

The tens of billions of dollars in illicit profits derived from illicit economies dwarf the formal economy, and have corroded state institutions and flowed into poorly governed jurisdictions with weak regulatory enforcement or into semi-autonomous enclaves beyond state authorities' reach*, particularly in Myanmar's Shan State, or in Laos' Golden Triangle Special Economic Zone, which some have called, "the world's worst special economic zone".

In the ongoing wars in Ukraine, Israel-Gaza, and other hotspots, new opportunities have also arisen for TCOs and illicit threat networks to profit from the violent conflict and insecurity through numerous smuggling ventures, trafficking in weapons and illicit goods, illicit financial flows, and sanctions evasion. Syria's illegal captagon trade allows it to ride out the war.

It is true that technology transforms old crimes giving bad actors and networks greater reach and scale: Digital criminals are increasingly exploiting emerging technologies and encrypted communications in the new Metaverse, using them to commit crimes against children, data theft, digital money laundering, financial scams, counterfeiting, ransomware, phishing, and online sexual harassment, as well as violent extremism, terrorism, terrorist financing, malign influence and disinformation, theft of 3D virtual/cultural property, trespassing in private virtual spaces, and robbery from an avatar.

In a nutshell: transnational crime is a booming business around the world and across the digital world alike.

Solutions

So what does one do about the immediate and horizon threats that you will be examining this week?

While there are no easy solutions to today's security complexities, **it is important that we stay ahead of the game with a meaningful framework with well-defined objectives and means that help to achieve some of the ends you are working toward.**

In the advice of Walter Gretzky to his son Wayne: **"Skate to where the puck is going, not to where it's been."**

Although many lessons can be learned from past criminal investigations and methodologies about how criminals conduct their illicit activities, **in an emerging multi-polar world where adversaries do not respect rules, norms, and are bent on reshaping the international order, breaking the cycle of corruptive influence and the economic power of illicit threat networks within ecosystems of criminality requires more anticipatory protocols and robust enforcement.**

So we must go where the puck is going and get ahead of the active measures by criminals and illicit threat networks that are exploiting Boyd's OODA loop -- observe, orient, decide, and act -- faster than law enforcement and security agencies.

This is especially true where **bad actors and threat networks recognize that international reactions to their criminal actions and malign operations require more energies for the defenders of justice, democracy, and the rule of law to dislodge, disrupt, dismantle, and defeat their illicit activities, maneuvers, criminal market offensives, and deliberately driven chaos within the ecosystems of criminality and corruption.**

Transnational criminal organizations, China, Russia, and other illicit threat networks have perfected this strategic dark art: act first and faster than countervailing security forces when undertaking subversive activities. Using this tactic, these bad actors are expanding illicit markets or capturing states through coercive corruption, laundering dirty money, and achieving geopolitical dominance through aggression, control of territories, ports, global supply chains, and digital spaces.

Action beats reaction.

This entails more robust threat horizon measures including:

- **integrating threat intelligence overlays and the full dimensions of threat convergence in national strategies so that we can better anticipate changing threat environments**, and to protect U.S. national security interests from TCOs and illicit threat networks.
- **sharing threat intelligence in timely manner to mitigate harms**, and help generate future capabilities and operations towards optimal success is also very important.

This further requires not only testing good game-changing policy ideas, but also developing more innovative multi-dimensional approaches and holistic, whole-of-society frameworks before the bad guys act on their criminalities and seize new market share or do more damage.

Additionally, we need to make criminal threat convergence a first-tier national security priority, as well as include it in the National Intelligence Priority Framework (NIPF) so that there can be greater information-sharing across sectors, more joint and coordinated law enforcement operations with committed partners overseas, and more leveraging of national assets and resources.

A few final few words on the need to devote more attention to confronting the enablers and drivers of organized crime and horizontal threats, including the use of ports and newer money laundering methodologies:

Crime-terror enablers and proxies are increasingly exploiting diasporic communities through coercive pressures, and act as extralegal enforcers for their authoritarian and criminal clients and benefactors. They are mobilizing diasporic communities to conduct activities in furtherance of criminality and corruption, political interference activities, and malign influence operations.

As noted earlier, “divide and conquer” strategies are intended to weaken U.S. influence and sow divisions among allies and law enforcement communities.

If we look at Canada in recent years, it has become a crime convergence zone and forward operational hub for the world’s most notorious crime groups and threat networks including the likes of Joaquín 'El Chapo' Guzmán and the Sinaloa cartel, Chinese drug kingpin Tse Chi Lop, Hezbollah financier Altaf Khanani, and other bad actors, and professional enablers and drivers in the sectors of technology and maritime shipping (e.g., Vancouver port), and as platforms for financing global insecurity.

For example, if you examine the so-called CCP police stations in North America, as certain investigative journalists have done in recent months, you have a nexus of PRC Intelligence Services operators converging with local Chinese triads in cities, often in the Fujian transnational crime networks. Such police stations are physically and mentally projecting Beijing’s political power to influence the diaspora community politically. They are connected to underground casinos, human trafficking and money laundering networks, and are connecting with other businesses to clandestinely fund influence and election interference.

Through the long-standing ties and use of diasporic communities and the Chinese triads, Hezbollah financiers, and oligarchic Eurasian and Balkan entrepreneurs and mafias, reinforced by targeted subversive operations by China, Iran, and Russia, an array of sinister illicit activities and active measures have had a disrupting and destabilizing impact on the political, governance, security, and business structures, and in some cases, have inhibited counter intelligence and law enforcement efforts through corruption in North America, Europe, Africa, and other parts of the world.

As I have underscored, dark commerce across illicit economies is facilitated by criminalized ports, and whoever controls such strategic infrastructure can move illicit goods and contraband in any country or region, and can export to flood markets around the world.

In some risky ports and FTZs as well as nearby financial safe havens, dirty money is laundered to fund greater criminality and insecurity.

In some cases, criminal networks arrange the infiltration of ports and coordinate local networks of corrupt port insiders, and even law enforcement, to enable illicit goods and contraband to reach demand markets, in furtherance of cross-border smuggling and trafficking operations.

The abuse of any one risky port or FTZs can cause serious security ripple effects across markets and supply chains globally.

The ingenuity of criminals in finding novel ways to launder money or financial value seems both infinite and troubling.

As my ICAIE colleague, John Cassara, a former U.S. intel and law enforcement official, frequently underscores, criminals motivated by greed work with professional enablers and facilitators to utilize trade-based money laundering, black market exchanges, hawala, flying money, daigou, mirror swaps, M-payments, cryptocurrency and other digital assets to launder dirty money, including for the drug cartels and other transnational criminal groups.

These days aided by professional enablers, criminals are using a variety of cryptocurrencies in online businesses and marketplaces, both on the publicly accessible clear web and the dark web, to generate and mix money, and to move commodities.

They're using a range of social media apps to market goods and to operate different businesses, including the trafficking of drugs and precursors, and for human trafficking. At the core it's all about profit, and these technologies allow them to generate and move large amounts of money and value very quickly.

Finally, through political interference and malign influence operations, hostile authoritarian networks and their enabling proxies are polluting the truth through disinformation, curated messages and false narratives designed to penetrate the West's information spaces, sow discord, divide communities, and further weaken a community of democracies and the international rules-based order.

In closing, to me the beauty of the Fibonacci sequence has in many respects illuminated clarity – that which is not only scientifically exponential, but also beautifully intelligent, to reflect the possibilities for new innovative pathways-solutions and that illustrate the potential of our minds, as powerful as the secrets of the fibonacci spirals.

As we innovate new possibilities from each idea or brainstorm, we craft a force-multiplying trajectory that may lead exponentially to further discoveries and pathfinding actions (effective solutions that can be implemented and expanded), help us to better navigate today's chaos, manage change tomorrow, and bring enduring peace to multi-dimensional security challenges and illicit vectors.

The U.S. must also invest in developing innovative, evidence-based, and forward intelligence strategies with public and private sector partners to have more timely and accurate insights into the intentions, capabilities, and actions of criminals by harnessing open source, “big data,” artificial intelligence, and advanced analytics.

We must also leverage international cooperation to disrupt and dismantle illicit supply chains by deploying intelligence and law enforcement resources in both key domestic convergence zones and international threat streams.

ICAIE is expanding greater energies in threat intelligence to harness a coalition of dedicated networks across sectors to fight corruption, illicit economies, foreign malign influence by authoritarian powers, and other destabilizing threats including through a new strategic foresight ICAIE Peace and Security Sustainability (ICAIE PASS) Foundation, and a new Mapping Latin America Security Threats Program lead by ICAIE Senior Advisor Douglas Farah.

Without significantly more U.S. leadership, creativity, and understanding the neural connections of today's cross-border threats, many of the current trends may soon be irreversible against the criminality crushing societies in many parts of the world.

We must continue to outfox and react faster to the deviant machinations of criminals, money launderers, enablers, and illicit threat networks with our unified, combined, and multinational powers and steadfast resolve.

If we break their corruptive and economic power, financial strength, and sever these newer strategic alliances and their use of enablers and proxies across today's transnational security landscapes and online criminal markets, we can begin a process to render them less powerful by depriving them of their wealth, infrastructure, logistics, and safe havens.

Otherwise, if we fail to thwart the collective influence of criminals and illicit threat networks whose ambition is to thrive in a more chaotic multi-polar world, impunity will reign over the rule of law.

And that's a wrap! Getting Ahead of the Game in a new Multi-Polar World in 30 minutes.

Thank you.